



## Kraken Provides Update on PanGeo Earnout

ST. JOHN'S, Newfoundland and Labrador, Dec. 09, 2022 -- Kraken Robotics Inc. (TSX-V: PNG) (OTCQB: KRKNF) ("**Kraken**" or the "**Company**"), Canada's Ocean Company, is providing the following update on its earnout obligations under the definitive share purchase agreement entered into on July 20, 2021 (the "**PanGeo Agreement**"). Under the PanGeo Agreement, and as previously described in Kraken's press release dated July 20, 2021, Kraken was obligated to make certain earnout payments if PanGeo Subsea's business hit certain revenue targets. In accordance with the terms of the PanGeo Agreement, Kraken is required to pay an earnout payment to the vendors in an amount equal to \$4.5 million (the "**Earnout Amount**"). If certain additional revenue targets are met, as set out in the press releases dated July 20, 2021, and August 3, 2021, a second earnout payment may become payable following the second anniversary of the transaction closing date.

Under the terms of the PanGeo Agreement, Kraken may, at its sole discretion, elect to issue common shares of the Company ("**Common Shares**") in satisfaction of up to 50% of the Earnout Amount based on the pricing mechanism in the PanGeo Agreement. In the event that Kraken elects to do so, it may issue up to 4,500,000 Common Shares at a deemed price of \$0.50 per Common Share for aggregate consideration of up to \$2,250,000. Any share issuance in respect of the Earnout Amount is subject to approval by Kraken's board of directors and by the TSX Venture Exchange and all Common Shares will be subject to a four-month hold period.

Payment of the Earnout Amount is due within 30 Business Days following the filing of the Company's third quarter interim financial statements. Kraken will provide a further update in respect of the number of Common Shares, if any, that are issued in satisfaction of the Earnout Amount prior to such date.

### LINKS

[www.krakenrobotics.com](http://www.krakenrobotics.com)

### SOCIAL MEDIA

LinkedIn: [www.linkedin.com/company/krakenrobotics](http://www.linkedin.com/company/krakenrobotics)

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Instagram: [www.instagram.com/krakenrobotics](http://www.instagram.com/krakenrobotics)

### ABOUT KRAKEN ROBOTICS INC.

Kraken Robotics Inc. (TSX.V:PNG) (OTCQB: KRKNF) is a marine technology company dedicated to the production and sale of software-centric sensors, subsea batteries, and underwater robotic systems. The company has offices in North and South America and Europe. In July 2021, Kraken acquired PanGeo Subsea, a leading services company specializing in high resolution 3D acoustic imaging solutions for the sub-seabed used to mitigate risk in offshore installations. PanGeo with offices in Canada, the United States and the United Kingdom is now a wholly owned subsidiary of Kraken. Kraken is ranked as a Top 100 marine technology company by Marine Technology Reporter.

*Certain information in this news release constitutes forward-looking statements. When used in this news release, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, Kraken's intentions with respect to satisfaction the First Earnout Amount pursuant to the PanGeo Agreement. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's current views with respect to future events based on certain material factors and assumptions and are subject to certain risks and uncertainties, including without limitation, changes in market, competition, governmental or regulatory developments, general economic conditions and other factors set out in the Company's public disclosure documents. Many factors could cause the Company's actual results, performance or achievements to vary from those described in this news release, including without limitation those listed above. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release and such forward-looking statements included in, or incorporated by reference in this news release, should not be unduly relied upon. Such statements speak only as of the date of this news release. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.*

*Neither the TSX Venture Exchange Inc. nor its Regulation Services Provide (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release, and the OTCQB has neither approved nor disapproved the contents of this press release.*

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